NEWS TO USE

PERSI

A newsletter for PERSI Employers

February 2002

- Entering member data
- ENRON & PERSI
- 108's and 115's

Entering data for PERSI electronic transmittals

As you may recall from previous issues of News to Use, now that most employers are reporting to PERSI electronically, the member data that you send to us "overrides" any data we have. Entries that do not follow certain guidelines cause our computer (called "Galena") problems that affect the members and our ability to serve them efficiently. Because of this, we need to request that you follow some guidelines when entering member names and addresses. Otherwise, no matter how much time we spend correcting inconsistencies, Galena errors will continue to occur and our customer service to you and your employees will be affected.

Rules Which Apply To All Fields

1. Do not use the 'Caps Lock' key. Use both upper and lower case letters.

2. Do not use periods after abbreviations in names, or after abbreviations in addresses.

3. Do not use the apostrophe that is on the same key as the quote (") symbol. If you need to use an apostrophe, use the backward apostrophe on the far left of the keyboard, just below the 'Esc' key. (i.e. O`Leary, Coeur d`Alene, etc.)

Rules For Entering Names

1. Enter Mr, Ms, Mrs or Dr (no periods) in the 'Title' field. Galena pulls this information for use in the greeting of automated letters.

2. The 'Suffix' field is the correct place to enter Jr, Sr, IV or PhD (no periods).

3. Enter the complete legal first name rather than a nickname (i.e. Michael, rather than Mike). However, don't make assumptions without proof from a photocopy of their driver's license, birth certificate, or Social Security card.

4. Follow the member's cue on spelling and capitalization within names. Enter the member's own version of a name with variations in spelling. For instance, JoAnn, Joanne and JoAnne are all common.

5. In general, enter the first name and middle initial only. Spell out the middle name only when the member signs with it, for example: J Edgar Hoover or F Scott Fitzgerald (no periods). Galena won't print the complete middle name on system generated letters, only the middle initial. It's okay in this circumstance to enter both the complete first and middle names. The name fields may be changed at retirement to match their Social Security card.

6. Leave out the space in names such as McCarthy and VanDamme; this is to aid in sorts and searching. Remember to use the backward apostrophe when necessary in O`Leary, d`Angelo, etc.

Rules For Entering Addresses

1. If only one address is given, enter it by default in the 'Mailing Address' field. If the member gives both a residence address and a Post Office Box number, enter them separately. Enter the Post Office Box in the 'Mailing Address' field using the form 'PO Box 123' [this is how the US Postal Service (USPS) prefers it]. Enter the residence address in the 'Street Address' field. Do not enter an address in the 'Street Address' field unless there is already a PO Box number under the Mailing Address field. Galena picks up only the 'Mailing Address' for automated letters.

2. Use the USPS's standard abbreviations for addresses, even if the member does not. For example, use Rte *(not Rt)* for Route, and Ave *(not Av)* for Avenue. If you need it, a list of the standard abbreviations is available.

3. Apartment numbers follow the street address on the same line. Use of the # symbol is acceptable, but the USPS prefers a space after the # symbol before the actual number. For example: 3701 Maple St # 203

4. On rural routes that begin with HC or HCR, enter the box number on the same line as the route number. For example: HCR 3 Box 27

5. When entering a mailing address at a business such as 'Mailboxes, Etc.' the 'PMB #' occupies the first line in the address field and the street address is entered on the second line [USPS preference].

We sincerely thank you for your assistance in following these guidelines!

Save your employees work: Terminating employees do NOT have to fill out an RS-108. Newly hireds who are already PERSI members do NOT need to do new RS-115's

We all have a lot of work to do, so why add unnecessary paperwork for you and your employees? We can help eliminate a little of the paper shuffling.

Separation Benefits RS-108's

A separation benefit is a lump-sum payment of the money an employee contributed to the PERSI Base Plan, plus the interest on those contributions. Terminating employees do NOT have to take a Separation Benefit, and therefore do NOT have to complete an RS-108 Request for Separation Benefit Payment. Some employers automatically give terminating employees an RS-108. We request that you do not give out 108's unless you know that the member wants to take a Separation Benefit. All too often we hear from members who did not want to take a Separation Benefit but did so because their employer gave them the form to fill out.

If a member leaves PERSI-covered employment, they do **not** have to take a separation benefit. They may leave their funds in PERSI. Contributions will draw interest and retirement credits will be preserved. Member may leave their funds in PERSI as follows:

Less Than 5 Months of Service

If a member terminates with less than 5 months of service (or worked less than 20 hours per week, or less than 1/2 contract for teachers) their contributions will be returned automatically.

5 to 59 Months of Service

If a member was eligible for PERSI (worked 5 months or more) but was not vested to a retirement benefit (did not reach 60 months of service), they may leave their funds in PERSI for up to three years. They may wish to do this if they think they may work for another of PERSI's 650 employers within the next three years. If after three years they have not returned to PERSI , they will be notified to withdraw their funds.

60 Months or More of Service

If a member is vested to a monthly retirement benefit, they may leave their funds in PERSI until they are old enough to retire. We strongly suggest that a vested member speak with PERSI before deciding to take a separation benefit as a pension can be worth a great deal more than simply the member's contributions and interest.

Beneficiary Designations RS-115's

Employees going from one PERSI-covered job to another, or those who are already PERSI members, do **NOT** need to complete a new RS-115 Beneficiary Designation form when starting at the new employer.

We repeatedly receive 115's from employees who have changed jobs and end up redesignating the same beneficiaries. A new 115 does not need to be completed unless the member wants to change his or her beneficiaries, or if the employee has never been a PERSI member.

ENRON and PERSI

The collapse of ENRON, one of the world's largest companies, is of great interest in the media, and a concern among investors and members of retirement funds.

PERSI's equity holdings in ENRON at the beginning of November 2001 were approximately $2 million. That represented only about 0.033% of the portfolio's $6 Billion in assets. Losses resulting from the ENRON debacle will have no material effect on the fund, and no effect whatsoever on member Base Plan benefits. Because of the size of PERSI's investment portfolio, the fund actually gains and/or loses millions each day. Loses, such as those due to ENRON, while not pleasant, are to be expected from time to time, and PERSI plans accordingly. PERSI's investments are widely diversified so that even if we experience loses from one company the fund is still solid and secure. Rest assured, retirement benefits are not jeopardized in any way by this situation.

PERSI is closely monitoring developments related to ENRON's demise and potential claims the fund may have against ENRON and other related parties. Generally, in similar situations, class action lawsuits are filed and often other large public retirement funds, such as California, serve as lead plaintiff. PERSI generally participates and obtains recoveries in such actions as a member of the class. This is what we plan to do in this case as well. PERSI will continue to monitor the situation and is prepared to take additional action if necessary.